

## Message Text

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ACTION NEA-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 OMB-01 AID-20 EB-11 AGR-20

COME-00 SIL-01 LAB-06 TRSE-00 IGA-02 DRC-01 /185 W  
----- 023594

R 191200Z OCT 73

FM AMEMBASSY COLOMBO

TO SECSTATE WASHDC 154

INFO AMCONSUL MADRAS

AMEMBASSY NEW DELHI

C O N F I D E N T I A L COLOMBO 2626

E.O. 11652: GDS

TAGS: PINT, PINS, ELAB, CE

SUBJ: REPERCUSSIONS OF FOOD AUSTERITY MEASURES IN SRI LANKA

REF: COLOMBO 2613, COLOMBO 2555, COLOMBO 2517

1. SUMMARY: PRIME MINISTER BANDARANAIKE FACES MOUNTING PROBLEMS IN WAKE OF NEW FOOD RATIONING AND PRICE POLICY INTRODUCED OCT 1. WHILE LOW INCOME GROUPS HIT HARDEST, PLANTATION WORKERS IN PARTICULAR FACING CRITICAL SHORTAGE OF SUFFICIENT FOOD, WITH WIDE-SPREAD ABSENTEEISM AND SOME DROP IN TEA OUTPUT ALREADY BEING REPORTED. ON POLITICAL FRONT, OPPOSITION HAS MOVED QUICKLY TO CAPITALIZE ON POPULAR DISCONTENT WITH NEW MEASURES, SWIFTLY RALLYING ANTI-UNITED FRONT GOVT (UFG) OPINION IN PARLIAMENT, BE-ELECTION AND MASS MEETINGS. ADDITIONAL EMERGENCY MEASURES APPEAR LIKELY. END SUMMARY.

2. RAPIDLY GROWING SCARCITY OF FOOD STAPLES HAS FOLLOWED INTRODUCTION OCT 1 OF GSL'S NEW RATIONING POLICY AND HAS ALREADY BEGUN TO GENERATE MOUNTING  
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PROBLMES FOR PRIME MINISTER BANDARANAIKE. ATMOSPHERICS

OF LAST TWO WEEKS INCLUDE LENGTHENING QUEUES IN URBAN CENTERS, DAILY PROMISE OF DRACONIAN PUNISHMENT FOR HOARDERS, "SABOTEURS", "RUMOR-MONGERS", AND INCREASINGLY HOSTILE REACTION FROM LEADERS OF UNITED FRONT GOVT (UFG) TO CRITICISM OF THEIR POLICIES. PRIME MINISTER AND HER GOVT ENTERED NEW RATIONING PHASE WITH FEW RESERVES EITHER OF POLITICAL SUPPORT OR OF FOOD STOCKS AND INCREASING GLOOM WHICH PERVADES COUNTRY REFLECTS RAPID DEPLETION OF BOTH COMMODITIES.

3. IT ALREADY EVIDENT THAT NEW RATIONING POLICIES ARE HAVING UNEVEN IMPACT. WHILE ALL LOW INCOME GROUPS ARE BADLY AFFECTED, ESPECIALLY CRITICAL SITUATION IS DEVELOPING ON TEA ESTATES. INDUSTRY AND TRADE UNION SOURCES REPORT LARGE SCALE ABSENTEEISM ON ESTATES AVERAGING 50 PERCENT OF WORK FORCE IN SOME AREAS. THESE SOURCES TELL US THAT WORKERS CLAIM THEY ARE UNABLE TO WORK MORE THAN DAY OR TWO PER WEEK DUE TO INSUFFICIENT FOOD. PROBLEM IS ESPECIALLY ACUTE IN HIGHLAND AREAS CENTERING ON NUWARA ELIYA AND HATTON WHERE SUBSTITUTE FOODSTUFFS ARE NOT CULTIVATED AND NOT AVAILABLE TO ADD TO REDUCED RATIONS PROVIDED BY GOVT. TEA OUTPUT AND PRODUCTIVITY LEVELS HAVE BEGUN TO DROP BY STILL UNDETERMINED MARGIN, TREND BOUND TO HAVE IMPACT ON FOREIGN EXCHANGE EARNINGS IF CONTINUED. IN SPITE OF INTENSIVE CONSULTATIONS AMONG TRADE UNIONS AND INDUSTRY GROUPS AND FREQUENT MEETINGS THIS WEEK WITH PLANTATION INDUSTRIES MINISTER COLVIN DE SILVE, THERE IS LITTLE RELIEF IN SIGHT AND SITUATION LIKELY GET WORSE. DE SILVE REPORTEDLY HAS LITTLE MORE TO OFFER THAN VAGUE ASSURANCES OF OFFICIAL ATTENTION.

4. ON POLITICAL FRONT, OPPOSITION LEADER J.R. JAYEWARDENE HAS MOVED RAPIDLY TO CAPITALIZE ON UNPOPULARITY OF NEW MEASURES. IN NUMEROUS SPEECHES HE HAS HIT HARD ON GSL FOOD POLICY, ACCUSING UFG OF DELIBERATELY ABANDONING PREVIOUS GOVTS FOOD CAMPAIGN OF LATE SIXTIES AND OF PURSUING FOREIGN POLICY WHICH HAS ISOLATED SRI LANKA, LEAVING COUNTRY WITHOUT FRIEND TO PROVIDE FOOD IN HOUR OF NEED. JAYEWARDENE HAS MOVED EQUALLY

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SWIFTLY TO MOBILIZE ANTI-UFG OPINION AND TO PROJECT IMAGE OF UNITED NATIONAL PARTY (UNP) AS DEFENDER OF "PEOPLES INTERESTS", BEGINNING WITH NO-CONFIDENCE MOTION IN PARLIAMENT OCT 4 (COLOMBO 2517), WRAPPING UP IMPRESSIVE COLOMBO NORTH BY-ELECTION TRIUMPH OCT 9 (COLOMBO 2555), FOLLOWED BY OPPOSITION RALLY OCT 11. LATTER DREW CROWD ESTIMATED BY POLICE SOURCES AS HIGH AS 135,000 IN SPITE OF TRANSPORT AND

OTHER HURDLES CREATED BY UFG. THIS MOMENTUM WAS BEING BILLED AS PRELUDE TO "NATIONAL DAY OF MOURNING AND FASTING" OCT 19 TO CENTER ON MASSIVE SATYAGRAHA (PASSIVE RESISTANCE) DEMONSTRATION GALLE FACE GREEN IN COLOMBO. (COLOMBO 2613).

5. J.R.'S INSTRUCTIONS TO OBSERVE "PEACEFUL, NON-VIOLENT SATYAGRAHA" AIMED AT INDUCING UFG "TO FEEL FOR THE SUFFERING OF THE PEOPLE" HAVE BEEN PARALLELED BY SEVERAL PUBLIC ASSURANCES TO MRS BANDARANAIKE THAT HE IS NOT OUT TO "TOPPLE GOVT. IMPLICATION THAT HE COULD DO SO IF HE CHOSE, AND UNSETTLING IMPACT OF J.R.'S CONFIDENCE, HAVE MADE HIS ASSURANCES FALL ON SKEPTICAL EARS. WITH RISING CONVICTION, MRS BANDARANAIKE HAS DESCRIBED J.R. AS OUT TO RALLY "VESTED INTERESTS" AGAINST NATIONAL FOOD DRIVE AND UFG EFFORTS ACHIEVE SELF-SUFFICIENCY. IN OPEN LETTER TO JAYEWARDENE OCT 17, PRIME MINISTER REITERATED DEFENSE OF FOOD POLICIES AND ACCUSED HIM OF SPREADING "MISREPRESENTATIONS AND INACCURACIES". WITH PLENTY OF EVIDENCE THAT J.R.'S LINE WAS STRIKING RESPONSIVE CHORD AMONG PUBLIC, PRIME MINISTERS LAST-MINUTE DECISION TO BAN USE OF GALLE FACE GREEN FOR SATYAGRAHA IN EFFECT WILL TEST UNP'S INTENTIONS, WITH INITIATIVE TO DEFY UFG CLEARLY UP TO JAYEWARDENE.

6. FOR MRS BANDARANAIKE, CHALLENGE NOW IS TO TRANSLATE HER LEGAL AUTHORITY TO SET GROUND RULES OF CONFRONTATION INTO EFFECTIVE CONTROL OF WHAT IS PRESENTLY FLUID AND EVEN VOLATILE POLITICAL ENVIRONMENT. SATYAGRAHA BAN MAY BE POINTER THAT FURTHER EMERGENCY MEASURES ARE IN OFFING, TIME HONORED RESPONSE WHEN CEYLONSE GOVTS ARE IN BIND. WILL THIS APPROACH WORK? CERTAINLY THERE

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IS CONSIDERABLE UNEASE WITHIN UFG RANKS, PARTICULARLY WITHIN LEFT WHICH IS DEEPLY SUSPICIOUS OF WHAT IT SEES AS J.R.'S MANIPULATION OF MIDDLE-CLASS DISCONTENT.

7. SEPTEL REPORTS INTERNATIONAL AND FOREIGN POLICY ASPECTS OF CURRENT FOOD CRISIS, INCLUDING INCREASING PROBLEMS USG FACES BECAUSE OF FAILURE PROVIDE PL 480 WHEAT FLOUR.

VAN HOLLEN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ELECTION RESULTS, FOOD SHORTAGE, POLITICAL PARTIES, RATIONING, PRICE CONTROLS, CENTRAL GOVERNMENT  
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**Copy:** SINGLE  
**Draft Date:** 19 OCT 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**Disposition Remarks:**  
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**Enclosure:** n/a  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
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**Previous Handling Restrictions:** n/a  
**Reference:** COLOMBO 2613, COLOMBO 2555, COLOMBO, 2517  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** garlanwa  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 19 DEC 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <19-Dec-2001 by martinml>; APPROVED <23-Jan-2002 by garlanwa>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** REPERCUSSIONS OF FOOD AUSTERITY MEASURES IN SRI LANKA  
**TAGS:** PINT, PINS, ELAB, CE  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005